

AMENDMENT NO. _____

Calendar No. _____

Purpose: To authorize the Secretary of Transportation to establish a grant program for the rehabilitation, preservation, or improvement of railroad track.

IN THE SENATE OF THE UNITED STATES—108th Cong., 1st Sess.

(no.) _____

(title) _____

Referred to the Committee on _____
 and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. SMITH

Viz:

1 At the end, add the following:

2 **TITLE VI—RAILROAD TRACK**
 3 **MODERNIZATION**

4 **SEC. 601. SHORT TITLE.**

5 This title may be cited as the “Railroad Track Mod-
 6 ernization Act of 2003”.

7 **SEC. 602. CAPITAL GRANTS FOR RAILROAD TRACK.**

8 (a) **AUTHORITY.**—Chapter 223 of title 49, United
 9 States Code, is amended to read as follows:

1 **“CHAPTER 223—CAPITAL GRANTS FOR**
2 **RAILROAD TRACK**

“Sec.

“22301. Capital grants for railroad track.

3 **“§ 22301. Capital grants for railroad track**

4 “(a) ESTABLISHMENT OF PROGRAM.—

5 “(1) ESTABLISHMENT.—The Secretary of
6 Transportation shall establish a program of capital
7 grants for the rehabilitation, preservation, or im-
8 provement of railroad track (including roadbed,
9 bridges, and related track structures) of class II and
10 class III railroads. Such grants shall be for rehabili-
11 tating, preserving, or improving track used primarily
12 for freight transportation to a standard ensuring
13 that the track can be operated safely and efficiently,
14 including grants for rehabilitating, preserving, or im-
15 proving track to handle 286,000 pound rail cars.
16 Grants may be provided under this chapter—

17 “(A) directly to the class II or class III
18 railroad; or

19 “(B) with the concurrence of the class II
20 or class III railroad, to a State or local govern-
21 ment.

22 “(2) STATE COOPERATION.—Class II and class
23 III railroad applicants for a grant under this chap-
24 ter are encouraged to utilize the expertise and assist-

1 ance of State transportation agencies in applying for
2 and administering such grants. State transportation
3 agencies are encouraged to provide such expertise
4 and assistance to such railroads.

5 “(3) REGULATIONS.—

6 “(A) IN GENERAL.—The Secretary shall
7 prescribe regulations to carry out the program
8 under this section.

9 “(B) CRITERIA.—In developing the regula-
10 tions, the Secretary shall establish criteria
11 that—

12 “(i) condition the award of a grant to
13 a railroad on reasonable assurances by the
14 railroad that the facilities to be rehabili-
15 tated and improved will be economically
16 and efficiently utilized;

17 “(ii) ensure that the award of a grant
18 is justified by present and probable future
19 demand for rail services by the railroad to
20 which the grant is to be awarded;

21 “(iii) ensure that consideration is
22 given to projects that are part of a State-
23 sponsored rail plan; and

24 “(iv) ensure that all such grants are
25 awarded on a competitive basis.

1 “(b) MAXIMUM FEDERAL SHARE.—The maximum
2 Federal share for carrying out a project under this section
3 shall be 80 percent of the project cost. The non-Federal
4 share may be provided by any non-Federal source in cash,
5 equipment, or supplies. Other in-kind contributions may
6 be approved by the Secretary on a case by case basis con-
7 sistent with this chapter.

8 “(c) PROJECT ELIGIBILITY.—For a project to be eli-
9 gible for assistance under this section the track must have
10 been operated or owned by a class II or class III railroad
11 as of the date of the enactment of the Railroad Track
12 Modernization Act of 2003.

13 “(d) USE OF FUNDS.—Grants provided under this
14 section shall be used to implement track capital projects
15 as soon as possible. In no event shall grant funds be con-
16 tractually obligated for a project later than the end of the
17 third Federal fiscal year following the year in which the
18 grant was awarded. Any funds not so obligated by the end
19 of such fiscal year shall be returned to the Secretary for
20 reallocation.

21 “(e) ADDITIONAL PURPOSE.—In addition to making
22 grants for projects as provided in subsection (a), the Sec-
23 retary may also make grants to supplement direct loans
24 or loan guarantees made under title V of the Railroad Re-
25 vitalization and Regulatory Reform Act of 1976 (45

1 U.S.C. 822(d)), for projects described in the last sentence
2 of section 502(d) of such title. Grants made under this
3 subsection may be used, in whole or in part, for paying
4 credit risk premiums, lowering rates of interest, or pro-
5 viding for a holiday on principal payments.

6 “(f) EMPLOYEE PROTECTION.—The Secretary shall
7 require as a condition of any grant made under this sec-
8 tion that the recipient railroad provide a fair arrangement
9 at least as protective of the interests of employees who
10 are affected by the project to be funded with the grant
11 as the terms imposed under section 11326(a), as in effect
12 on the date of the enactment of the Railroad Track Mod-
13 ernization Act of 2001.

14 “(g) LABOR STANDARDS.—

15 “(1) PREVAILING WAGES.—The Secretary shall
16 ensure that laborers and mechanics employed by
17 contractors and subcontractors in construction work
18 financed by a grant made under this section will be
19 paid wages not less than those prevailing on similar
20 construction in the locality, as determined by the
21 Secretary of Labor under the Act of March 3, 1931
22 (known as the Davis-Bacon Act; 40 U.S.C. 276a et
23 seq.). The Secretary shall make a grant under this
24 section only after being assured that required labor

1 standards will be maintained on the construction
2 work.

3 “(2) WAGE RATES.—Wage rates in a collective
4 bargaining agreement negotiated under the Railway
5 Labor Act (45 U.S.C. 151 et seq.) are deemed for
6 purposes of this subsection to comply with the Act
7 of March 3, 1931 (known as the Davis-Bacon Act;
8 40 U.S.C. 276a et seq.).”.

9 (b) CONFORMING AMENDMENT.—The item relating
10 to chapter 223 in the table of chapters of subtitle V of
11 title 49, United States Code, is amended to read as fol-
12 lows:

“223. CAPITAL GRANTS FOR RAILROAD TRACK 22301”.

13 **SEC. 602. REGULATIONS.**

14 (a) REGULATIONS.—The Secretary of Transportation
15 shall prescribe under subsection (a)(3) of section 22301
16 of title 49, United States Code (as added by section 601),
17 interim and final regulations for the administration of the
18 grant program under such section as follows:

19 (1) INTERIM REGULATIONS.—The Secretary
20 shall prescribe the interim regulations to implement
21 the program not later than December 31, 2003.

22 (2) FINAL REGULATIONS.—The Secretary shall
23 prescribe the final regulations not later than October
24 1, 2004.

1 (b) INAPPLICABILITY OF RULEMAKING PROCEDURE
2 TO INTERIM REGULATIONS.—Subchapter II of chapter 5
3 of title 5, United States Code, shall not apply to the
4 issuance of an interim regulation or to any amendment
5 of such an interim regulation.

6 (c) CRITERIA.—The requirement for the establish-
7 ment of criteria under subparagraph (B) of section
8 22301(a)(3) of title 49, United States Code, applies to the
9 interim regulations as well as to the final regulations.

10 **SEC. 603. STUDY OF GRANT-FUNDED PROJECTS.**

11 (a) REQUIREMENT FOR STUDY.—The Secretary of
12 Transportation shall conduct a study of the projects car-
13 ried out with grant assistance under section 22301 of title
14 49, United States Code (as added by section 601), to de-
15 termine the public interest benefits associated with the
16 light density railroad networks in the States and their con-
17 tribution to a multimodal transportation system.

18 (b) REPORT.—Not later than March 31, 2004, the
19 Secretary shall submit to Congress a report on the results
20 of the study under subsection (a). The report shall include
21 any recommendations that the Secretary considers appro-
22 priate regarding the eligibility of light density rail net-
23 works for Federal infrastructure financing.

1 **SEC. 604. AUTHORIZATION OF APPROPRIATIONS.**

2 There are authorized to be appropriated to the Sec-
3 retary of Transportation \$350,000,000 for each of fiscal
4 years 2004, 2005, and 2006 for carrying out section
5 22301 of title 49, United States Code (as added by section
6 601).